

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01  
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06  
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07  
CEA-01 AGRE-00 /101 W  
-----114059 131922Z /44

R 121245Z JUL 78  
FM AMEMBASSY TUNIS  
TO SECSTATE WASHDC 1802  
INFO USDA WASHDC  
AMEMBASSY RABAT

UNCLAS TUNIS 4975

DEPT ALSO PASS AID

RABAT FOR AGATT

E.O. 11652: N/A  
TAGS: EAGR, TS  
SUBJ: INCREASE IN GRAINS PUCHASE PRICE

1. TUNISIAN COUNCIL OF MINISTERS ANNOUNCED JULY 6  
THAT OFFICIAL PURCHASE PRICES OF WHEAT AND BARLEY  
WERE BEING INCREASED .465 TUNISIAN DINARS (TD) PER  
QUINTAL (100 KILOGRAMS) (US \$1 EQUAL TO .413 TD AS OF JULY  
12, 1978) EFFECTIVE IMMEDIATELY.  
PRICE CHANGES, FIRST SINCE 1974, FOLLOW:  
--DURAM WHEAT FROM 7.135 TD TO 7.600 TD (US \$18.47);  
--SOFT WHEAT FROM 6.535 TD TO 7.00 TD (US \$17.01); AND,  
--BARLEY FROM 5.035 TD TO 5.500 TD (US \$13.37).

2. WE UNDERSTAND UNOFFICIALLY, FROM THE TRADE, THAT  
PRICE INCREASES TO BE PAID FARMERS BY CEREALS OFFICE  
(THE MONOPOLY BUYER) ARE EXPECTED TO BE COMPLETELY  
COVERED BY INCREASED SUBSIDIES FROM GOVERNMENT COM-  
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PENSATION FUND, RESULTING IN NO PRICE CHANGES FOR  
MILLERS, FEED MANUFACTURERS OR CONSUMERS. INCREAED  
COST OF SUBSIDIES IS EXPECTED TO BE MET BY SPECIAL  
TAX ON IMPORTS ("TAXE DE COMPENSATION") THAT WAS  
ENACTED LAST MARCH AND DEDICATED TO COMPENSATION FUND.

3. PURPOSE OF PRICE INCREASE AS ANNOUNCED BY COUNCIL

OF MINISTERS IS TO INCREASE INCENTIVES FOR GRAIN PRODUCTION. HOWEVER, THIS EFFECT WILL NOT BE SEEN UNTIL NEXT FALL'S PLANTING AND THIS YEAR'S HARVEST--NOW ALMOST COMPLETED--WILL BE PURCHASED BY CEREALS OFFICE AT THE NEW HIGHER PRICES. THEREFORE, TIMING OF PRICE INCREASE SUGGESTS IT IS ALSO EFFORT TO ALLEVIATE STRAIN OF PAST FOUR YEAR'S INFLATION ON FARMERS. FARMERS UNION (UNA) HAS LONG COMPLAINED OF INADEQUATE RETURNS TO COVER PRODUCTION COSTS.

MULCAHY

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GRAINS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TUNIS04975  
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**Executive Order:** N/A  
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**Expiration:**  
**Film Number:** D780287-0831  
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**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** INCREASE IN GRAINS PUCHASE PRICE  
**TAGS:** EAGR, TS  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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